



# NEWS & VIEWS

**SBA News and Views** is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged

## Serving America's Small Businesses

### U.S. Small Business Administration Wisconsin District Office

**Eric Ness, District Director  
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SBA Home Page  
<http://www.sba.gov>  
 Wisconsin SBA Home Page  
<http://www.sba.gov/wi>

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### **SBA Technical Assistance Programs Reach Record in FY 2004**

More than 2.44 million people interested in starting a business or expanding an existing one consulted with one of the U.S. Small Business Administration's technical assistance programs during FY 2004, a record for the agency's programs

The most popular technical assistance program was the Small Business Training Network/E-Business Institute, which offers 80 free online courses, workshops and resources in a virtual campus setting designed to assist entrepreneurs and other students of enterprise. The Training Network Web site recorded almost 958,000 users during FY 2004.

Under the direction of the SBA's Office of Entrepreneurial Development, a record 2.44 million entrepreneurs received business counseling and technical assistance through one or more of the agency's counseling and training programs:

- Small Business Development Centers counseled 725,799 clients;
- SCORE, Counselors to America's Small Businesses, counseled 468,152 clients, nearly a quarter of them through its innovative online counseling system;

- SBA Business Information Centers reached 168,640 people;
- The SBA Small Business Training Network/E-Business Institute Web site registered 957,921 users;
- SBA Women's Business Centers provided assistance to 122,712 people.

Along with the records established for the SBA's technical assistance and business counseling programs, the agency's small business financing programs produced a record level of investment in FY 2004 as well. The SBA and its lending partners surpassed the previous lending record in both the flagship 7(a) and 504 loan programs, and established volume records in loans to women, minorities, and veterans.

All told, the SBA provided \$19.29 billion in loans and venture capital financing for 87,800 small businesses in FY 2004, compared to \$15.24 billion for 71,200 small businesses in FY 2003.

### **SBA Hurricane Disaster Relief Tops \$554 Million**

The U.S. Small Business Administration has approved more than \$554 million in low-interest disaster loans to about 17,825 residents and business owners in the areas affected by the late-summer rash of deadly hurricanes and floods.

During the six weeks after Hurricane Charley's devastating landfall in Florida on August 13, an unprecedented three more hurricanes and the storms that followed caused flooding and property loss to 14 other states, Puerto Rico, and Florida again. About 1,500 SBA employees are now working in 76 disaster recovery centers in the disaster areas. Almost one million disaster loan applications have been issued to residents and business owners in the affected areas.

The SBA makes low-interest disaster loans to homeowners, renters, and non-farm businesses of all sizes. Homeowners may borrow up to \$200,000 to repair disaster damaged primary residences. Homeowners and renters are eligible for loans up to \$40,000 to replace personal property such as furniture and clothing. Loans of up to \$1.5 million are available to eligible businesses of all sizes and non-profit organizations to repair damage to real estate, machinery, equipment and inventory. Economic Injury Disaster Loans (EIDLs) of up to \$1.5 million are also available to small businesses unable to pay bills or meet operating expenses.

Interest rates can be as low as 3.187 percent for homeowners and renters and 2.9 percent for businesses, with terms up to 30 years. Loan amounts and terms are set by the SBA and are based upon each applicant's financial condition.

To be considered for all forms of federal recovery assistance,

disaster victims must first call the Federal Emergency Management Agency (FEMA) at 1-800-621-FEMA (3362).

For more information about SBA's disaster assistance program, visit SBA's Web site at

[www.sba.gov/disaster\\_recov/index.html](http://www.sba.gov/disaster_recov/index.html)

### **Ready Talk**

Recorded Ready Talk presentations for lenders are now on the Wisconsin SBA web site at [www.sba.gov/wi/wilenders.html](http://www.sba.gov/wi/wilenders.html). The recordings and handouts will be available 24 hours a day 7 days a week to anyone interested in listening. Current presentations are Packaging Regular SBA Loan Applications and SBA Express Loan Program.

We will be adding additional presentations to the site over time. If you have any suggestions on the existing presentations or possible future presentations, please contact Tony Wagner at (608) 441-5515.

### **Record Demand Continues for Government-Backed Small Business Loans**

The U.S. Small Business Administration reported that since the start of the fiscal year, during the period October 1 through October 22, the agency approved a total of 6,215 loans for a total dollar amount of \$1.036 billion in its flagship 7(a) loan guarantee program.

Net of carry-over loan applications received before October 1, the SBA approved 4,669 loans for \$659 million. That compares to 4,205 loans approved for just

under \$644 million for the same period last fiscal year. Excluding carry-over applications, the average daily loan volume is approximately \$50 million, higher than during the same period last fiscal year.

The increase in loan volume indicates that, as expected, the small increase in fees in October to the levels found between 1995 and 2001 has not significantly affected demand. In the process, the 7(a) program is now at zero subsidy, where it has become self supporting through fees paid by the borrowers and lenders, returning millions of dollars to the taxpayer while continuing to grow to record levels.

SBA Administrator Hector V. Barreto said that "We have started off the fiscal year with a solid demand for loans, running at a higher rate than last year. This clearly indicates that small businesses are being started and expanding, they have confidence in the economy and in the process are creating jobs."

The increases follow very successful growth in the lending program. In fiscal year 2004, which concluded on September 30, the agency disbursed 74,825 loans for \$12.5 billion in the 7(a) program, surpassing a record set the previous fiscal year.

"The 7(a) lending program is running very well and that is good for small businesses," Barreto said.

### **New Preferred Lender**

In September 2004, **S & C Bank** in Eau Claire was welcomed into SBA's Preferred Lenders Program

at a ceremony at the bank's Eau Claire location. Join us in congratulating our newest Preferred Lender. S&C has also attained SBA Community Express status.

### ***SBA and the National Urban League Join to Promote Entrepreneurship***

SBA and the National Urban League (NUL) have entered a new partnership. This collaboration is prompted by and part of the Urban Entrepreneur Partnership (UEP), an innovative public-private initiative announced by President George W. Bush on July 23, 2004 in Detroit.

"The President's small business agenda seeks to expand business ownership and entrepreneurship among minorities," SBA Administrator Hector Barreto said. "The Administration will undertake a unique association with the NUL to create an entrepreneurship network that will include one-stop centers for training, counseling, financing, and contracting in historically neglected and economically underserved urban areas. We want to extend prosperity to all parts of America."

President Bush unveiled the UEP after nearly a year of development led by the White House, involving the National Urban League, the Business Roundtable, the Ewing Marion Kauffman Foundation, SBA, and the Minority Business Development Agency. The White House also consulted with Democratic and Republican

Congressional leaders, a broad nonpartisan group of business owners, experts, community leaders, and other supporters of minority entrepreneurship across the country. Since the Presidents July announcement, the UEP was established with support of many groups, firms, government agencies, and individuals. NUL President Marc Morial agreed to chair the Partnership.

"SBA will play an important part in the UEP," said Barreto. Business sessions, executed through a co-sponsorship between the SBA and the NUL, will take place at each of the five NUL locations around the country which are the centers for the UEP. An estimated 10,500 small businesses are expected to be assisted over the course of the Partnership, which can be expanded throughout the NUL's 105 local affiliates.

"This year, the SBA set all time records in loans and federal procurement to minorities. We are looking to build on our success, and I believe this Partnership will be a very useful tool," Barreto said. "We are implementing the President's plan for 'practical ways to help people realize their dreams', as he said in July."

The SBA will provide technical assistance, counseling and education at these business sessions and will help to promote them through local SBA district offices and the Web. The agreement will remain in effect through September 30, 2006.

More information about the UEP is available on:  
<http://www.whitehouse.gov/infocus/minority/minority2.html>

<http://www.whitehouse.gov/news/releases/2004/07/20040723-8.html>

<http://www.nul.org/news/2004/entrepreneurrel36.html>

### ***Tips for Business Success***

***SBA Small Business Winner, Omni Tech Offers Tips for Success***

#### **CALCULATED RISKS**

Be a calculated risk taker if you are going to successfully grow a business. Part of the definition of an entrepreneur is being a risk taker.

Being a calculated risk taker means not "betting the farm" on a fifty percent chance of success and making the bet on a ninety-five percent chance of success.

In most cases, you don't have to "bet the farm" to grow. You make little gambles knowing that your chance of success is high, but that the downside is not catastrophic. In these cases, you look at what is the worst thing that can happen if you loose the bet. Mostly you find that you can recover from the worst scenario. If that is the case, go with your dream.

You can't get to far in life if you don't stretch yourself. This stretching process puts you in the discomfort zone. Many of us live our lives in the discomfort zone. It becomes a way of life and we never should get too comfortable in this position because with complacency comes defeat. Don't bet the farm unless you are sure of success, but take calculated risks. The old saying, "nothing ventured – nothing gained," is true.

## ***Native American and Alaska Native Heritage Month***

American Indians and Alaska Natives have been an integral part of the history of the United States. Tribal traditions of our Nation's first inhabitants have brought values and ideas that have become ingrained in the American spirit. In 1914, a Blackfoot Indian named Red Fox James rode his horse across the country to gather support for a day to honor American Indian people. Since then, we have had American Indian Days, American Indian/Alaska Native Awareness Weeks, and the Year of the American Indian. In 1990, President George H. Bush approved a joint resolution designating November as National American Indian and Alaska Native Heritage Month. This year's theme is "Native Culture: National Treasure Keeping It Alive and Well."

President George W. Bush has stated: "To ensure the future success of America's tribal communities, my Administration is committed to improving education, increasing employment and economic development, and ensuring better access to health and human services for all American Indians and Alaska natives."

The SBA remains committed to assisting small business and economic development in disadvantaged tribal areas. In 1997, there were 197,300 American Indian and Alaska Native-owned businesses in the United States, employing 298,700 people and generating \$34.3

billion in revenues. In 2003, the Office of Capital Access approved 737 loans to Native Americans totaling over \$106 million. That same year, 725 participants from Native American owned firms took part in the SBA's Office of Government Contracting and Business Development 8(a) program. The SB Office of Native American Affairs enthusiastically ensures that American Indians, Native Alaskans, and Native Hawaiians have access to the full range of the SBA's entrepreneurial development, lending, and procurement programs.

## ***SBA Lenders for October 2004***

**Amcore Bank NA**, Rockford, IL  
1 Loan for \$41,400

**American Express Centurion Bank**, Salt Lake City, UT  
1 Loan for \$25,000

**American National Bank  
Fox Cities**, Appleton  
1 Loan for \$167,500

**Associated Bank NA**, Green Bay  
10 Loans for \$2,496,500

**Bank Mutual**, Milwaukee  
3 Loans for \$490,000

**Bank of Kenosha**, Kenosha  
1 Loan for \$30,000

**Bank One NA**, Columbus, OH  
5 Loans for \$1,113,700

**Baylake Bank**, Sturgeon Bay  
5 Loans for \$3,435,300

**BLC Community Bank**  
Little Chute – 2 Loans for \$65,000

**Capital One Federal Savings Bank**, Falls Church, VA  
4 Loans for \$100,000

**Charter Bank Eau Claire**  
Eau Claire – 1 Loan for \$100,000

**Citizens First CU**, Oshkosh  
1 Loan for \$40,000

**Community Bank & Trust**  
Sheboygan – 5 Loans for \$603,300

**Community First CU**, Appleton  
2 Loans for \$130,000

**Community State Bank**,  
Union Grove  
3 Loans for \$210,000

**Cornerstone Community Bank**  
Grafton – 4 Loans for \$593,800

**F&M Bank-Wisconsin**,  
Kaukauna – 1 Loan for \$148,000

**Farmers & Merchants  
State Bank**, Waterloo  
1 Loan for \$57,000

**First Bank Financial Centre**  
Oconomowoc  
5 Loans for \$1,086,000

**First National Bank**, Hudson  
1 Loan for \$95,000

**First State Bank**, New London  
1 Loan for \$372,120

**Great Lakes Asset Corp.**,  
Green Bay  
2 Loans for \$1,318,000

**Green Lake State Bank**  
Green Lake  
3 Loans for \$3,160,000

**Heritage Bank & Trust**,  
Milwaukee  
1 Loan for \$150,000



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**Hometown Bank**, Saint Cloud  
2 Loans for \$536,500

**Innovative Bank**, Oakland, CA  
1 Loan for \$10,000

**Investors Community Bank**  
Manitowoc  
2 Loans for \$236,000

**Landmark Credit Union**,  
New Berlin  
1 Loan for \$150,000

**Legacy Bank**, Milwaukee  
1 Loan for \$300,000

**Lincoln County Bank**, Merrill  
1 Loan for \$149,000

**M&I Marshall & Ilsley Bank**  
Milwaukee - 15 Loans for  
\$2,120,000  
Brookfield – 1 Loan for \$539,000  
**Total: 16 Loans for \$2,659,000**

**McFarland State Bank**  
McFarland  
1 Loan for \$125,000

**MidAmerica National Bank**  
Canton, IL  
1 Loan for \$127,500

**Milwaukee Economic  
Development Corp.**, Milwaukee  
1 Loan for \$493,000

**National City Bank of Michigan**  
Bannockburn, IL  
1 Loan for \$35,000

**National Exchange Bank &  
Trust** Fond du Lac  
2 Loans for \$350,000

**Oak Bank**  
Fitchburg – 4 Loans for \$321,100

**Park Bank**, Holmen  
2 Loans for \$291,000

**Pigeon Falls State Bank**  
Pigeon Falls  
1 Loan for \$625,000

**River Bank**, La Crosse  
1 Loan for \$1,450,000

**Royal Bank**, Spring Green  
1 Loan for \$750,000

**Royal Credit Union**  
Eau Claire – 1 Loan for \$41,000

**S&C Bank**, Eau Claire  
1 Loan for \$120,000

**State Bank of Chilton**  
Chilton – 1 Loan for \$72,000

**State Bank of La Crosse**  
La Crosse – 1 Loan for \$150,000

**Stearns Bank NA**, St. Cloud, MN  
1 Loan for \$137,000

**The Coulee State Bank**  
La Crosse – 1 Loan for \$27,600

**The First National Bank  
Fox Valley**, Menasha  
1 Loan for \$50,000

**The Necedah Bank**  
Necedah – 1 Loan for \$218,500

**The Park Bank**, Madison  
1 Loan for \$116,300

**Timberwood Bank**, Tomah  
1 Loan for \$200,000

**Town Bank**, Delafield  
1 Loan for \$149,300

**United Bank**, Osseo  
1 Loan for \$228,500

**US Bank NA**, Cincinnati, OH  
5 Loans for \$170,300

**Wachovia Small Business  
Lending Inc.**, Union, NJ  
1 Loan for \$2,000,000

**Waukesha State Bank**  
Waukesha – 4 Loans for \$971,000

**Wells Fargo Bank NA**,  
San Jose, CA  
4 Loans for \$161,000

**Wells Fargo Bank Minnesota NA**  
Minneapolis, MN  
2 Loans for \$114,000

**Wisconsin Business Development  
Finance Corp.**  
Monona – 8 Loans for \$4,198,000

**Wisconsin Community Bank**  
Cottage Grove  
2 Loans for \$89,000

**Wood County National Bank**  
Wisconsin Rapids  
2 Loans for \$264,000  
Plover – 1 Loan for \$75,000  
**Total: 3 Loans for \$339,000**

### ***Microlenders for October 2004***

**Northeast Entrepreneur Fund,  
Inc.**, Superior  
1 Loan for \$3,700

### ***Calendar of Events***

**Training Classes, Seminars and  
more**